

## UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECT SUB. REPORT/abd.

DATE FILED AUGUST 4, 1998

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. U-74408 INDIAN

DRILLING APPROVED: AUGUST 13, 1998

SPUDDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD: WILDCAT

UNIT:

COUNTY: UINTAH

WELL NO. DESERT SPRING 7-30-10-18

API NO. 43-047-33163

LOCATION 2093 FNL FT. FROM (N) (S) LINE. 1875 FEL

FT. FROM (E) (W) LINE. SW NE

1/4 - 1/4 SEC. 30

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				10S	18E	30	CHANDLER & ASSOC.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

(303) 295-0400

Chandler & Associates, Inc.

3. ADDRESS AND TELEPHONE NO.

475 Seventeenth Street, Suite 1000 Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)

At surface

2093' FNL 1875' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

See Topo Map "A" (attached)

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drilg. unit line, if any)

3187'

16. NO. OF ACRES IN LEASE

1720

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

-

19. PROPOSED DEPTH

4900'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5504' GR

22. APPROX. DATE WORK WILL START\*

A.S.A.P.

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	250'	(See attached drilling plan)
7 7/8"	5 1/2"	15.5#	4900'	(See attached drilling plan)

1. M.I.R.U.

2. Drill to T.D. 4900'

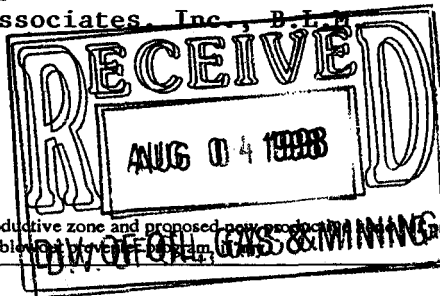
3. Run 5 1/2" casing if commercial production is indicated.

4. If dry hole, well will be plugged and abandoned as instructed by the B.L.M.

5. Well will be drilled with water; KCL water; LSND as needed to T.D.

I hereby certify that I am responsible by the terms and conditions of the lease to conduct lease operations. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Chandler & Associates, Inc., B.L.M. Bond #124290364 with CNA.

Federal Approval of this  
Action is Necessary



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give block number and section number.

24.

SIGNATURE

Tracy D. Henline

TITLE Agent

DATE Aug. 3, 1998

(This space for Federal or State office use)

PERMIT NO.

43-047-33163

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

BRADLEY G. HILL  
RECLAMATION SPECIALIST III

APPROVED BY

TITLE

DATE

8/13/98

\*See Instructions On Reverse Side

R  
17  
E

T10S, R18E, S.L.B.&M.

CHANDLER & ASSOCIATES, INC.

S89°52'E - 39.99 (G.L.O.)

N89°51'36"W 2632.79' (Meas.)

1910 Brass Cap  
1.0' High, Pile  
of Stones

1910 Brass Cap  
0.4' High, Pile  
of Stones

2093'

S41°55'42"W 2806.91'

DESERT SPRING #7-30-10-18

Elev. Ungraded Ground = 5504'

1875' (Comp.)

30

BASIS OF BEARINGS IS THE EAST LINE OF THE  
SE 1/4 OF SECTION 19, T10S, R18E, S.L.B.&M.  
WHICH IS ASSUMED FROM G.L.O. INFORMATION TO  
BEAR N0°01'E.

S89°57'E - 80.16 (G.L.O.)

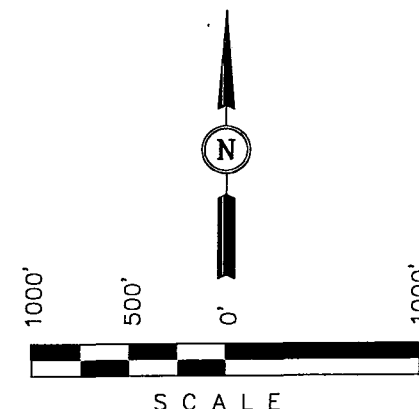
Well location, DESERT SPRING #7-30-10-18  
located as shown in the SW 1/4 NE 1/4 of  
Section 30, T10S, R18E, S.L.B.&M. Uintah  
County, Utah.

BASIS OF ELEVATION

BENCH MARK LOCATED IN THE SE 1/4 OF SECTION 32,  
T9S, R18E, S.L.B.&M. TAKEN FROM THE CROW KNOLL,  
QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC  
MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT  
OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION  
IS MARKED AS BEING 5244 FEET.

NORTH - (G.L.O.)

N00°01'E - (G.L.O.)



CERTIFIED

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM  
FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY  
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE  
BEST OF MY KNOWLEDGE AND BELIEF

REGISTERED LAND SURVEYOR  
No. 161319  
ROBERT L. ...  
STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 6-19-98	DATE DRAWN: 6-24-98
PARTY K.K. J.K. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CHANDLER & ASSOCIATES, INC.	

**CHANDLER & ASSOCIATES, INC.**  
**DRILLING PLAN FOR THE**  
**DESERT SPRING #7-30-10-18**

I. DRILLING PLAN:

1. Geological Surface Formation: Uintah

2. Estimated Tops:

<u>Name</u>	<u>Top</u>	<u>Prod. Phase Anticipated</u>
Green River	1350'	Gas/Oil
Uteland Butte	4450'	Gas/Oil
Wasatch	4650'	

3. CASING PROGRAM:

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg. Size</u>	<u>Type</u>	<u>Weight</u>
Surface	250'	12-1/4"	8-5/8"	J-55 (ST&C)	24#/ft (new)
Prod.	4900'	7-7/8"	5-1/2"	K-55 (LT&C)	15.5#/ft (new)

4. Operator's Specification for Pressure Control Equipment:

- A. 2,000 psi W.P. Double Gate BOP or Single Gate BOP (Schematic attached).
- B. Functional test daily.
- C. All casing strings shall be pressure-tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. All ram-type preventors and related control equipment shall be tested at the rated working pressure of the stack assembly or at 70 percent of the minimum internal yield pressure of the casing, whichever is less. Tests shall be done at the time of installation, prior to drilling out, and weekly. All tests shall be for a period of 15 minutes.

Chandler & Associates, Inc.  
Desert Spring #7-30-10-18

5. Auxiliary Equipment:

- A. Kelly Cock - yes.
- B. Float at the bit - no.
- C. Monitoring equipment on the mud system - visually.
- D. Full opening safety valve on rig floor - yes.
- E. Rotating head - yes.

6. Proposed Circulating Medium:

<u>Depth</u>	<u>Mud Type</u>	<u>Density</u> <u>(lb./gal)</u>	<u>Viscosity</u>	<u>Water Loss</u>
0'- T.D.	Water; KCL Water; LSND as needed			

7. Testing, Logging, and Coring Program:

- A. Cores - None anticipated.
- B. DST - none anticipated.
- C. Logging - CNL/FDC PE GR CAL (TD to base of surface casing).  
Induction SP (TD to base of surface casing).

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Desert Spring #7-30-10-18

- D. Formation and Completion Interval: Uteland Butte member of the Green River interval, final determination of completion will be made by analysis of logs.  
Stimulation - Stimulation will be designed for the particular area of interest as encountered.
- E. Frac gradient - approximately .80 psi/ft.

8. Cementing Program:

<u>Casing</u>	<u>Volume</u>	<u>Type &amp; Additives</u>
Surface	180 sx	Class "G" w/2% CaCl <sub>2</sub> (based on 100% access)
Production	800 sx*	450 sx "Lite" followed by 415 sx 50/50 poz. mix.

Cement Characteristics:

Class "G" - yield = 1.18 cu.ft. per. sack  
weight = 15.8 lb./gal  
strength = 3200 psi in 72 hrs @135 degrees

\* Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

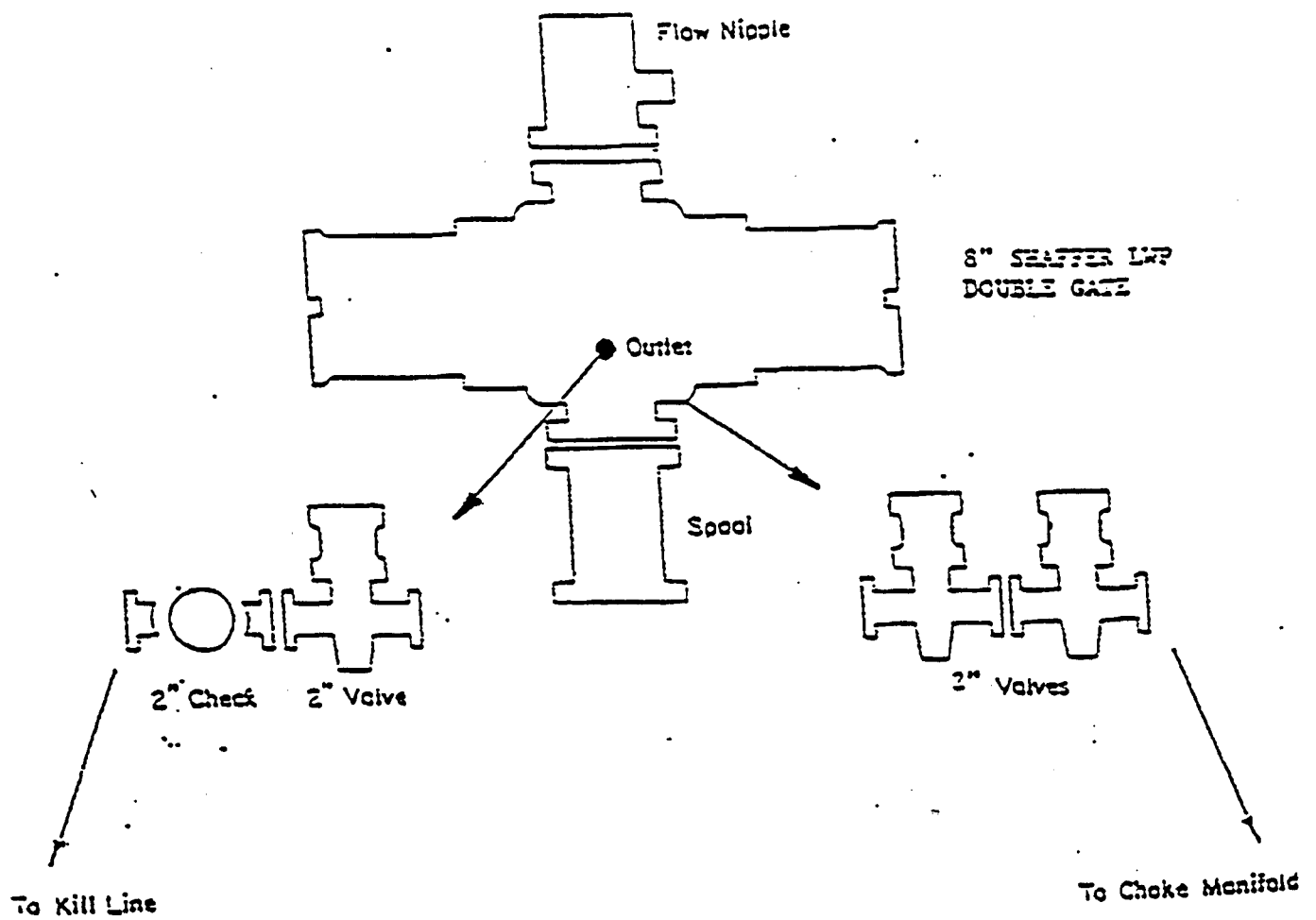
Chandler & Associates, Inc.  
Desert Spring #7-30-10-18

9. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards:

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 1,600 psi (calculated at 0.327 psi/ft) and maximum anticipated surface pressure equals approximately 522 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

# CHANDLER DRILLING

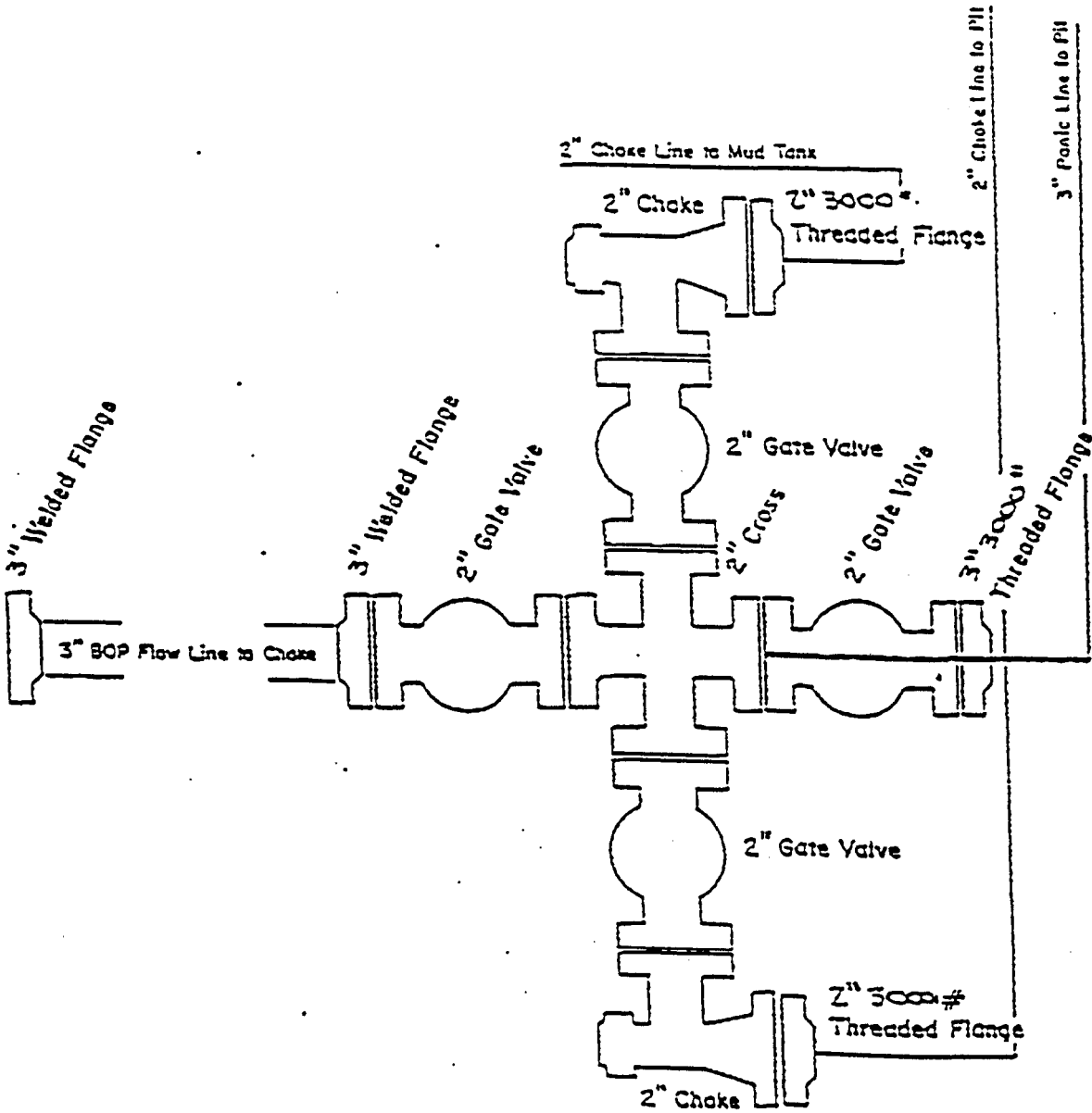
RIG NO.7





CHANDLER DRILLING

RIG NO.7



**II. SURFACE USE PLAN  
CHANDLER & ASSOCIATES, INC.  
DESERT SPRING #7-30-10-18**

1. Existing Road:

- A. Topo Map "A" is the vicinity map, showing the access routes from Myton, Utah.
- B. Topo Map "B" shows the proposed access road to each individual well. It also shows existing roads in the immediate area.
- C. Occasional maintenance blading and storm repairs will keep roads in good condition.
- D. There shall be no mud blading on the access road. Vehicles may be towed through the mud provided they stay on the roadway.

2. Planned Access Roads:

The proposed access road, will be crowned, ditched, and dipped.

- A. Maximum grade will be 8% or less, unless otherwise stated.
- B. No turnouts will be required.
- C. Road surface material will be that native to the area.
- D. No cattle guard will be required.
- E. The proposed access road was flagged at the time the location was staked.
- F. The area authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.

Chandler & Associates, Inc.  
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- G. The back slopes of the proposed access roads will be no steeper than vertical or 1/4:1 in rock; and 2:1, elsewhere.

The operator or his contractor will notify the areas authorized officer at least 48 hours prior to commencement of any work on these locations, roadways, or pipelines.

3. Location of Existing Wells:

See Topo Map "C"

4. Location of Existing and/or Proposed Facilities:

- A. All Petroleum Production Facilities are to be contained within the proposed location sites.
- B. In the event that production of these wells is established, the following will be shown:
1. Proposed location and attendant lines, by flagging, if off well pad.
  2. Dimensions of facilities.
  3. Construction methods and materials.
- C. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.
- D. All permanent facilities placed on the locations shall be painted a non-reflective color which will blend with the natural environment.
- E. A dike shall be constructed around the tank battery, of sufficient capacity to adequately contain at least 110 percent of the storage capacity of the largest tank within the dike.
- F. All buried pipelines shall be covered to a depth of 3 feet except at road crossings where they shall be covered to a depth of 4 feet.

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- G. Construction width of the right-of way/pipeline route shall be restricted to 30 feet of disturbance.
- H. Pipeline location warning signs shall be installed within 90 days upon completion of construction.

5. Location and Type of Water Supply:

Water will be obtained from a Spring located in Section 34, T3S, R2W, U.S.B.&M. which is Operated by Nebeker Trucking (Permit #43-1723) and transported by Nebeker Trucking Co. along the access roads which are shown on the attached maps.

6. Source of Construction Materials:

- A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads from the area. No special access other than for drilling operations and pipeline construction is needed.

- B. All disturbance for this well site is located on B.L.M. Lands.

All Construction material for these location sites and access roads shall be borrow material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time, but if it is required, the appropriate actions will be taken to acquire it from private sources.

7. Methods for Handling Waste Disposal:

- A. Drill cuttings will be buried in the reserve pit when covered.
- B. Drilling fluids will be contained in the reserve pit.
- C. Any hydrocarbon liquids produced while production testing will be contained in a test tank. Any unavoidable spills of oil or other adverse substances or materials will be removed immediately during drilling

Chandler & Associates, Inc.  
Desert Spring #7-30-10-18

progress or during completion operations.

- D. Portable chemical toilets will be provided and serviced by a local commercial sanitary service.

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- E. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill.

All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the authorized officer.

- F. Prior to commencement of drilling, the reserve pit will be fenced on three sides using 39-inch net wire with at least one (1) strand of barbed wire. All wire is to be stretched before attaching to corner posts. When drilling activities are completed it will be fenced on the fourth side and allowed to dry (if liquids are present). After drying, the fences will be removed and the pit shall be buried. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

8. Ancillary Facilities:

No air strips, camps, or other living facilities will be built off the location. Housing and office trailers will be on the location as seen on the location layout.

9. Well Site Layout:

- A. See attached cutsheet.
- B. The areas authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.
- C. The reserve pit will be lined with a 12ml. liner prior to any drilling activity.
- D. Topsoil shall be stripped to a depth of 6 inches and stockpiled as shown on the location layout plat. (Windrow along north side of pad).
- E. The back slopes of the locations will be no steeper than vertical or 1/4:1 in rock, and 2:1 elsewhere.
- F. The upper edges of all cut banks on the access roads and well pads will be rounded.

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Desert Spring #7-30-10-18

10. Plans for Restoration:

- A. Immediately upon completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.
- B. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. The reserve pit will be reclaimed within 90 days from the date of well completion.
- C. The area officer shall be notified at least 48 hours prior to commencing reclamation work.
- D. All disturbed areas will be seeded with the a mixture which is found suitable by the B.L.M.
- E. The seed bed will be prepared by discing, following the natural contour. Drill seed on contour at a depth no greater than ½ inch. In areas that cannot be drilled, the seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed is recommended.
- F. Fall seeding will be completed after September, and prior to prolonged ground frost.
- G. If the well is a producer, access roads will be upgraded and maintained as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will be reshaped, topsoil distributed, and seed distributed according to the above mixtures. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.

Chandler & Associates, Inc.  
Desert Spring #7-30-10-18

- H. If the well is abandoned or is a dry hole, the access road and location will be restored to approximate the original contours. During reclamation of the site the fill material will be pushed into cuts and up over the backslope. No depressions will be left that would trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the above mixture. The access road and the location shall be ripped or disced prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- I. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by an approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application proposals must be approved. Application of herbicides must be under direct field supervision of an EPA certified pesticide applicator.

11. Other Information:

- A. The area is used by man for the primary purpose of grazing domestic livestock.

All activity shall cease when soils or road surfaces become saturated to a depth of three inches, unless otherwise approved by the Authorized Officer.

If any fossils are discovered during construction, the operator shall cease construction immediately and notify the Authorized Officer so as to determine the significance of the discovery.

- B. A Class III cultural resource inventory has been completed prior to disturbance by a qualified professional Archaeologist.
- C. The State considers the development of groundwater resources to be necessary and frequently indispensable to effective land management. Therefore, any groundwater intercepted by the party conducting mineral exploration shall be reported to the authorized officer immediately including approximate quantities and a sample in a sealed quart container. The State shall have the first opportunity to file State water rights for the intercepted groundwater. The undersigned may file for water rights only with a written waiver from the State.



Chandler & Associates, Inc.  
Desert Spring #7-30-10-18

- D. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

whether the materials appear eligible for the National Register of Historic Places;

the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and a time frame for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, an operator will then be allowed to resume construction.

- E. Less than 10,000 pounds of any chemical(s) from EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, and less than threshold planning quantity (TPQ) of any extremely hazardous substances(s), as defined in 40 CFR, would be used, produced, transported, stored, disposed, or associated with the proposed action.

Chandler & Associates, Inc.  
Desert Spring #7-30-10-18

12. Lessee's or Operator's Representative:

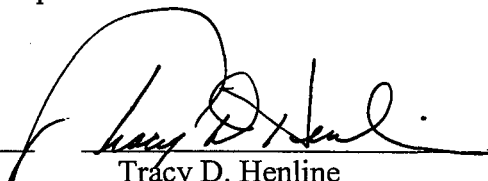
Mr. Terry J. Cox  
Vice President of Operations/Production  
Chandler & Associates, Inc.  
475 Seventeenth Street  
Suite 1000  
Denver, Colorado 80202  
Telephone #(303)295-0400

13. Certification:

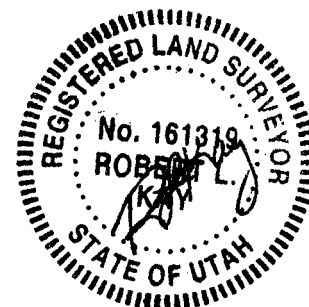
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by **Chandler & Associates, Inc.**, and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.

8-3-98  
Date

  
Tracy D. Henline  
Agent

DESERT SPRING #7-30-10-18  
SECTION 30, T10S, R18E, S.L.B.&M.  
2093' FNL 1875' FEL



**F-1.9'**  
El. 500.3'

C-3.4'  
El. 505.6'

**F-3.0'**  
El. 499.2'

Sta. 3+00

Flare Pit is to be located a min. of 100' from the Well Head.



Approx.  
Top of  
Cut Slope

El. 502.5'  
**C-8.3'**  
(btm. pit)

C-1.2  
El. 503.4

## PIPE RACKS

C-1.8'  
El. 504.0'

**F-2.9'**  
El. 499.3'

Sta. 1+50

Approx.  
Toe of  
Fill Slope

Sta. 0+68

*Pit Capacity With  
2' of Freeboard  
is ±3420 Bbls.*

El. 499.3'  
C-5.1'  
(btm. pit)

C-0.4'

El. 498.9'  
F-3.3'

**F-2.2'**  
El. 500.0'

$F-1.0'$   
El. 501.2'

Sta. 0+00

*Proposed Access Road*

Elev. Ungraded Ground at Location Stake = 5504.0'

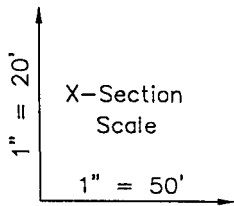
*Elev. Graded Ground at Location Stake* = **5502.2'**

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

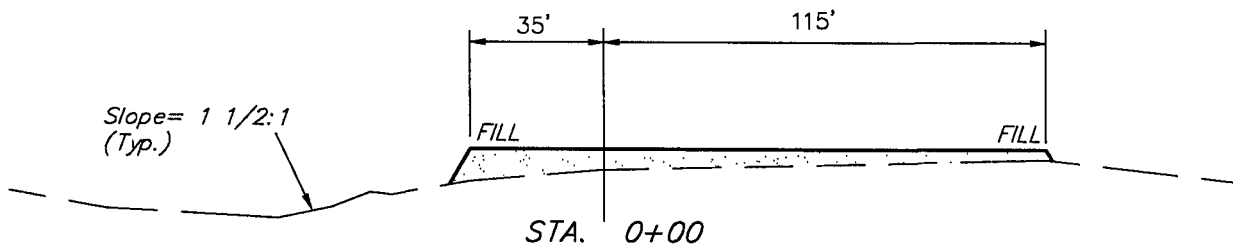
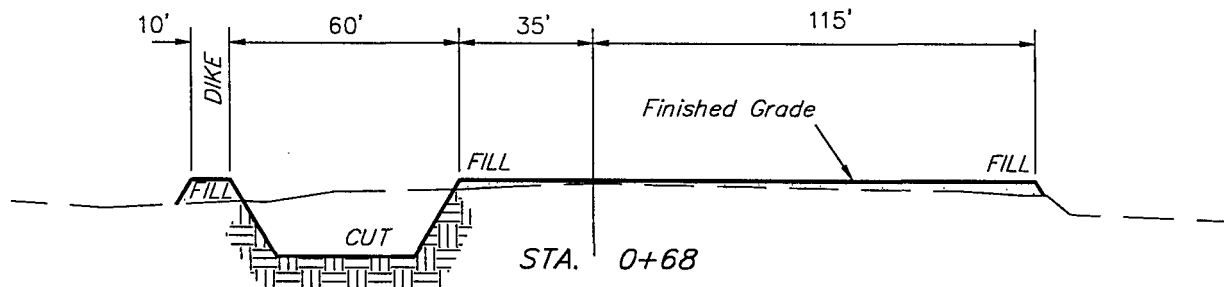
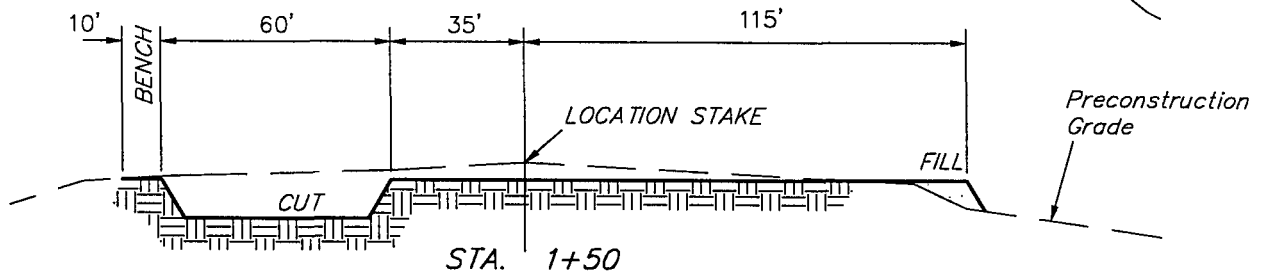
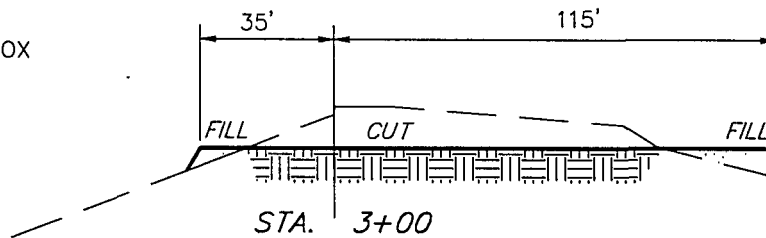
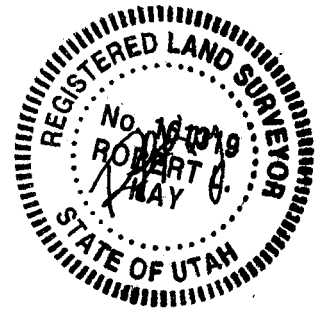
# CHANDLER & ASSOCIATES, INC.

## TYPICAL CROSS SECTIONS FOR

DESERT SPRING #7-30-10-18  
SECTION 30, T10S, R18E, S.L.B.&M.  
2093' FNL 1875' FEL



DATE: 6-25-98  
Drawn By: D.COX  
Revised: 7-29-98 D.COX



### APPROXIMATE YARDAGES

(6") Topsoil Stripping = 940 Cu. Yds.

Remaining Location = 2,140 Cu. Yds.

TOTAL CUT = 3,080 CU.YDS.

FILL = 1,510 CU.YDS.

EXCESS MATERIAL AFTER  
5% COMPACTION

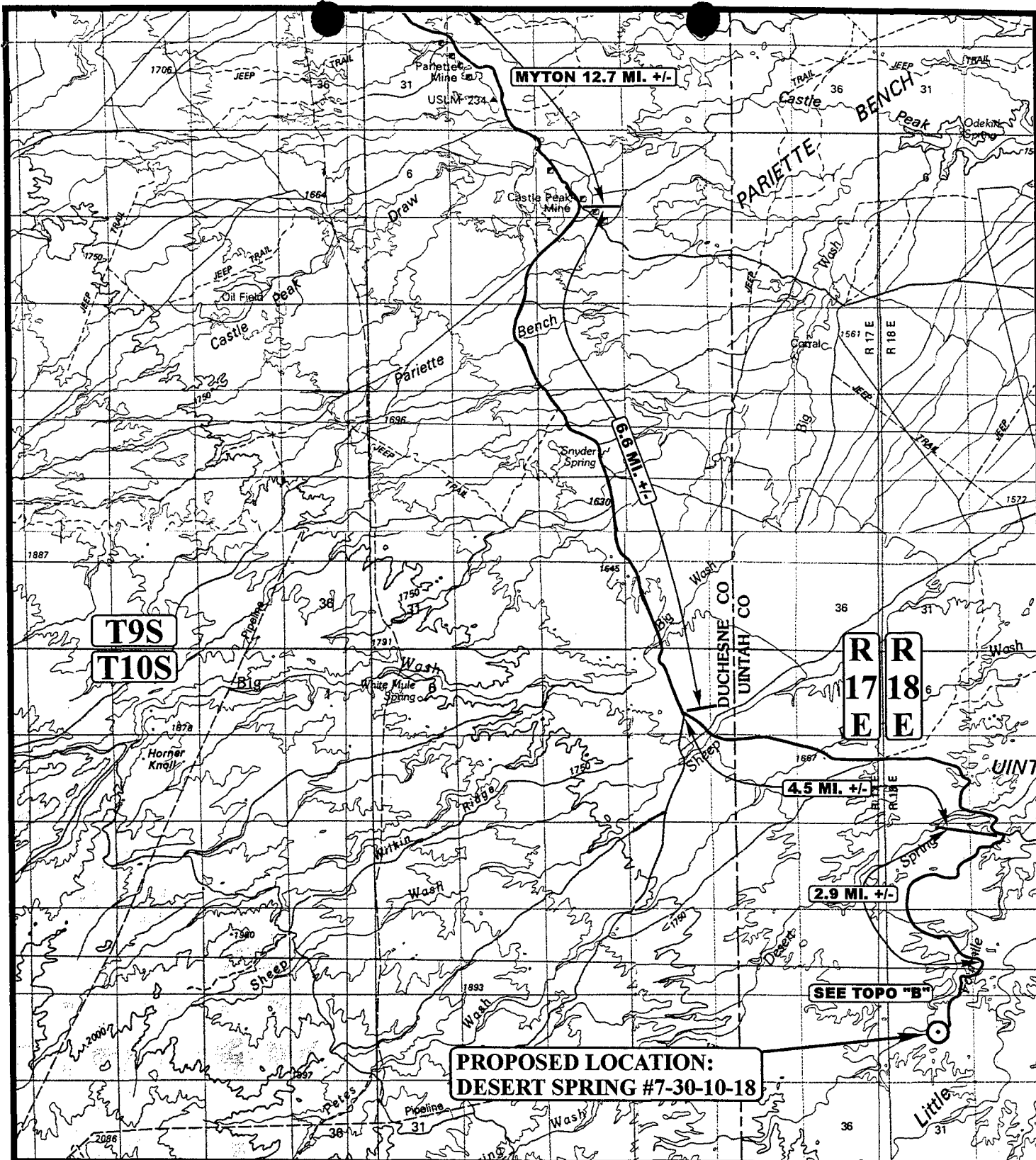
= 1,490 Cu. Yds.

Topsoil & Pit Backfill  
(1/2 Pit Vol.)

= 1,490 Cu. Yds.

EXCESS UNBALANCE  
(After Rehabilitation)

= 0 Cu. Yds.



# LEGEND:

⊙ PROPOSED LOCATION

CHANDLER & ASSOCIATES, INC.

DESERT SPRING #7-30-10-18  
SECTION 30, T10S, R18E, S.L.B.&M.  
2093' FNL 1875' FEL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



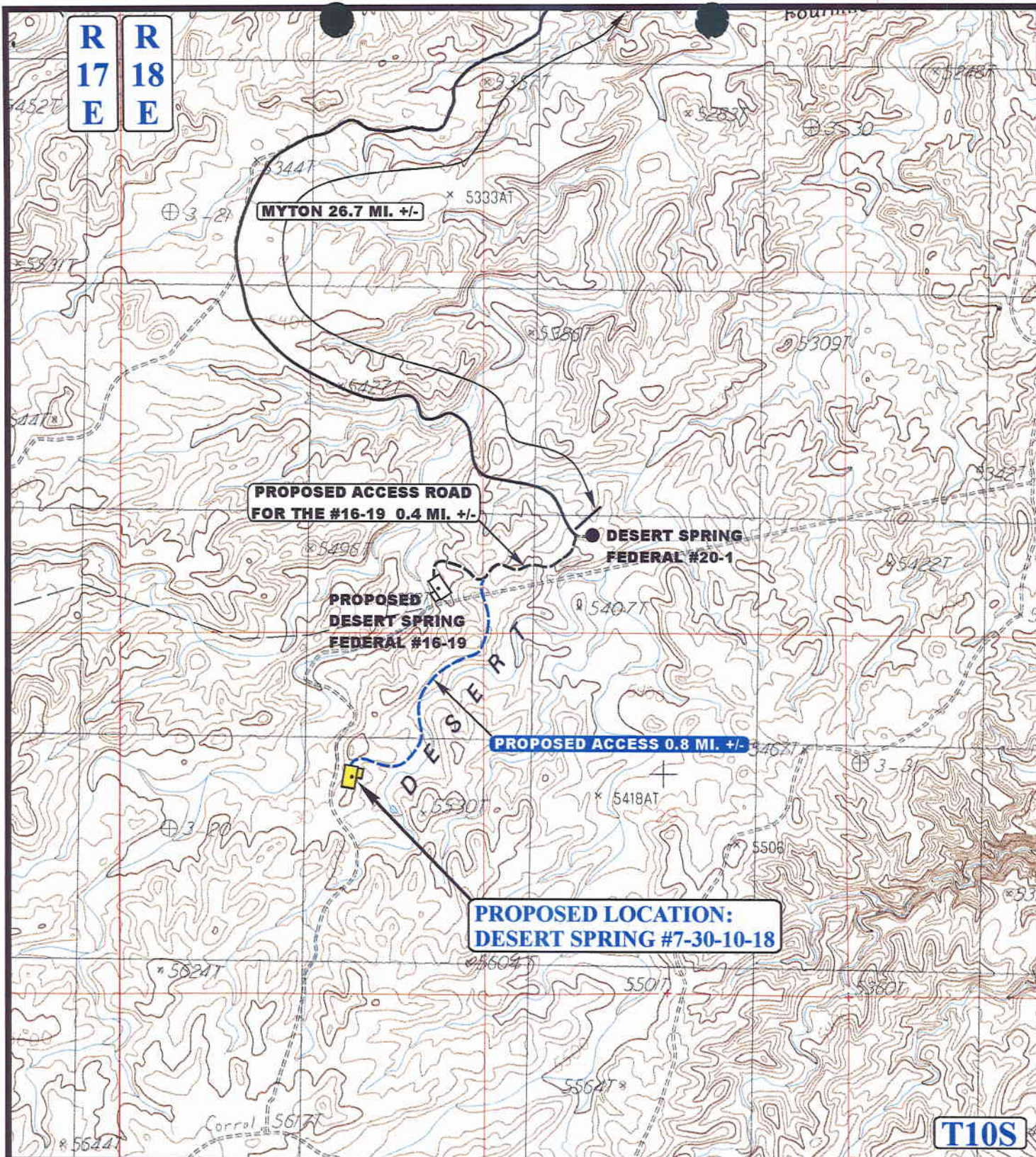
TOPOGRAPHIC  
MAP

6 24 98  
MONTH DAY YEAR

SCALE: 1 : 100,000 | DRAWN BY: D.COX | REVISED: 00-00-00







# LEGEND:

--- PROPOSED ACCESS ROAD  
— EXISTING ROAD

CHANDLER & ASSOCIATES, INC.

DESERT SPRING #7-30-10-18  
SECTION 30, T10S, R18E, S.L.B.&M.  
2093' FNL 1875' FEL



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



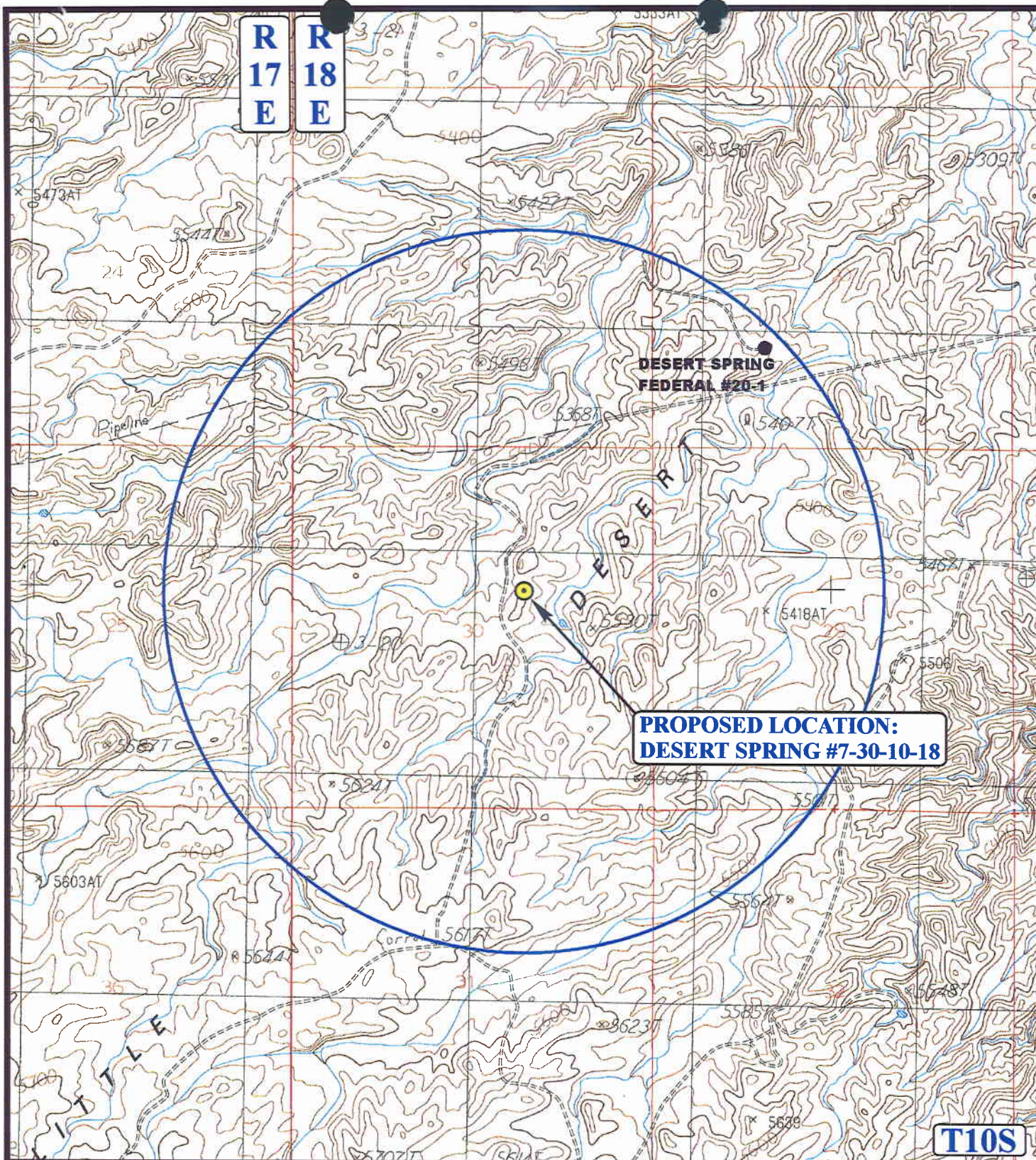
**TOPOGRAPHIC**  
**MAP**

**6** **24** **98**  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00

**B**  
**TOPO**





# LEGEND:

- |                   |                         |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS  | ⊗ WATER WELLS           |
| ● PRODUCING WELLS | ⊖ ABANDONED WELLS       |
| ⊖ SHUT IN WELLS   | ⊖ TEMPORARILY ABANDONED |

# CHANDLER & ASSOCIATES, INC.

**DESERT SPRING #7-30-10-18**  
**SECTION 30, T10S, R18E, S.L.B.&M.**  
**2093' FNL 1875' FEL**



**Uintah Engineering & Land Surveying**  
**85 South 200 East Vernal, Utah 84078**  
**(435) 789-1017 \* FAX (435) 789-1813**



**TOPOGRAPHIC**  
**MAP**

**6 24 98**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00





WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/04/98

API NO. ASSIGNED: 43-047-33163

WELL NAME: DESERT SPRING 7-30-10-18  
OPERATOR: CHANDLER & ASSOCIATES INC (N3320)  
CONTACT: Terry Cox (303) 295-6400

PROPOSED LOCATION:  
SWNE 30 - T10S - R18E  
SURFACE: 2093-FNL-1875-FEL  
BOTTOM: 2093-FNL-1875-FEL  
UINTAH COUNTY  
WILDCAT FIELD (001)

LEASE TYPE: FED  
LEASE NUMBER: U-74408  
SURFACE OWNER: Federal

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Federal ☒ State[] Fee[]  
(No. 124290364)  
☒ Potash (Y/N)  
☒ Oil Shale (Y/N) \*190-5(B)  
☒ Water Permit  
(No. 43-1723)  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_)  
☒ St/Fee Surf Agreement (Y/N)

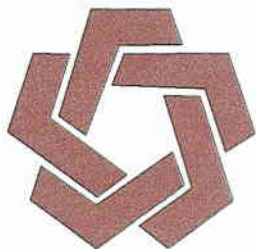
LOCATION AND SITING:

\_\_\_\_ R649-2-3. Unit \_\_\_\_\_  
☒ R649-3-2. General  
\_\_\_\_ R649-3-3. Exception  
\_\_\_\_ Drilling Unit  
\_\_\_\_ Board Cause No: \_\_\_\_\_  
\_\_\_\_ Date: \_\_\_\_\_

COMMENTS:

STIPULATIONS: ① FEDERAL APPROVAL





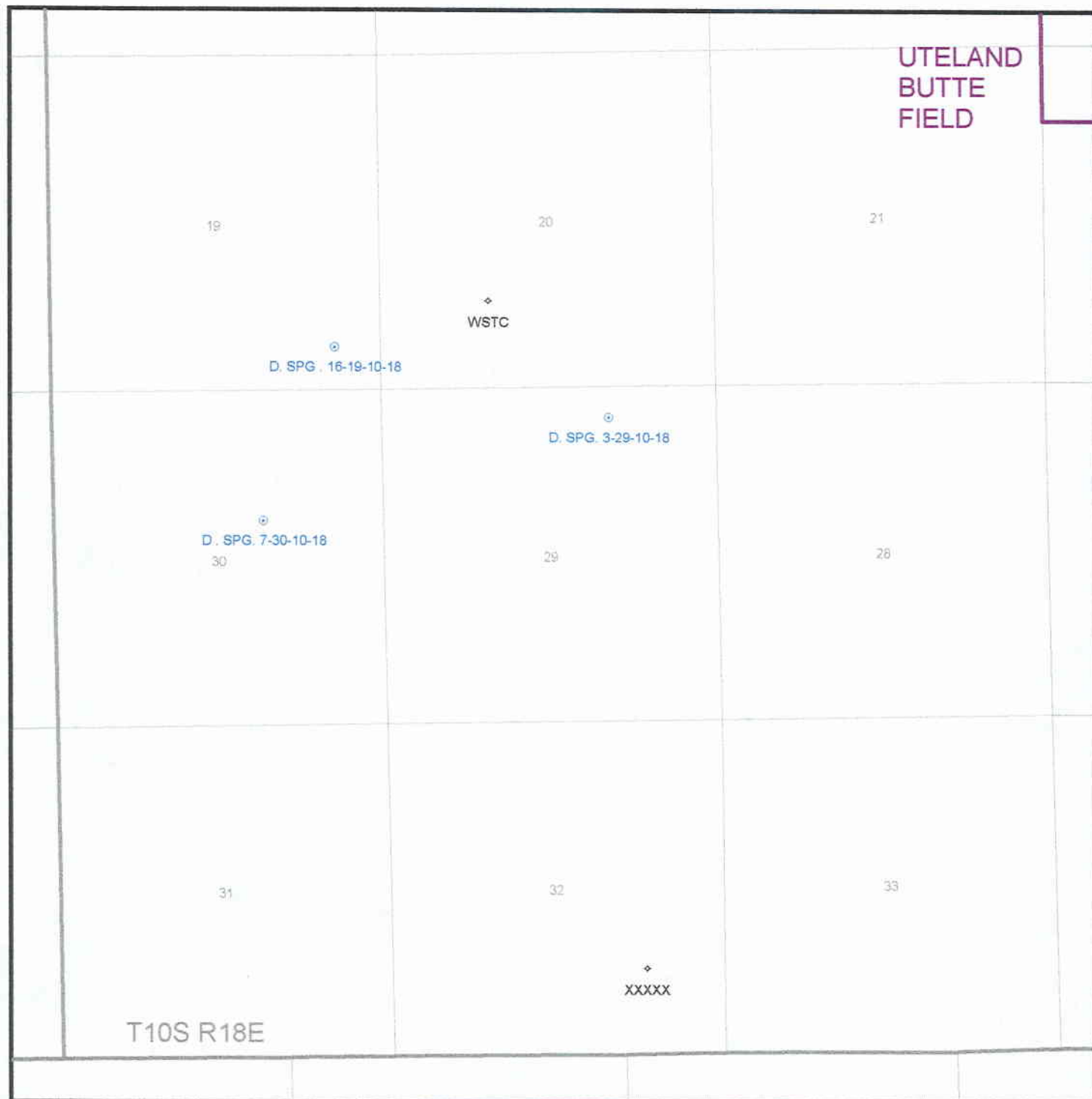
DIVISION OF OIL, GAS & MINING

OPERATOR: CHANDLER & ASSOCIATES (N3320)

FIELD: WILDCAT FIELD (001)

SEC. 19, 20, & 30, TWP 10S, RNG 18E

COUNTY: UINTAH UAC: R649-3-2 STATEWIDE SPACING



DATE PREPARED:  
5-AUG-1998



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Ted Stewart  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

August 13, 1998

Chandler & Associates, Inc.  
475 Seventeenth Street, Suite 1000  
Denver, Colorado 80202

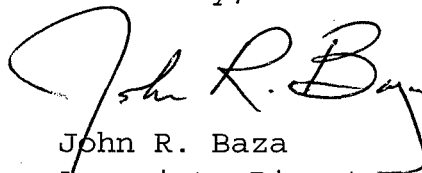
Re: Desert Spring 7-30-10-18 Well, 2093' FNL, 1875' FEL, SW NE,  
Sec. 30, T. 10 S., R. 18 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33163.

Sincerely,



John R. Baza  
Associate Director

lwp

Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

Operator: Chandler & Associates, Inc.  
Well Name & Number: Desert Spring 7-30-10-18  
API Number: 43-047-33163  
Lease: U-74408  
Location: SW NE Sec. 30 T. 10 S. R. 18 E.

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours prior to spudding the well. Contact Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

(303) 295-0400

Chandler & Associates, Inc.

3. ADDRESS AND TELEPHONE NO.

475 Seventeenth Street, Suite 1000 Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

2093' FNL 1875' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

See Topo Map "A" (attached)

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

3187'

16. NO. OF ACRES IN LEASE

1720

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

-

19. PROPOSED DEPTH

4900'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5504' GR

22. APPROX. DATE WORK WILL START\*

A.S.A.P.

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	250'	(See attached drilling plan)
7 7/8"	5 1/2"	15.5#	4900'	(See attached drilling plan)

1. M.I.R.U.

2. Drill to T.D. 4900'

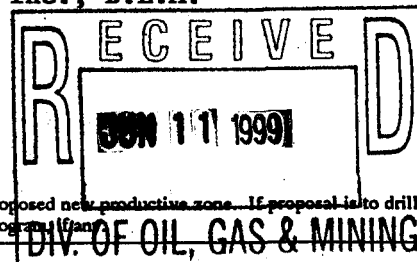
3. Run 5 1/2" casing if commercial production is indicated.

4. If dry hole, well will be plugged and abandoned as instructed by the B.L.M.

5. Well will be drilled with water; KCL water; LSND as needed to T.D.

I hereby certify that I am responsible by the terms and conditions of the lease to conduct lease operations. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Chandler & Associates, Inc., B.L.M. Bond #124290364 with CNA.

RECEIVED  
AUG 04 1998



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program (if any).

24.

SIGNATURE

Tracy D. Henline

TITLE

Agent

DATE Aug. 3, 1998

(This space for Federal or State office use)

NOTICE OF APPROVAL

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

Acting Assistant Field Manager  
Mineral Resources

APPROVED BY

Jerry Kenney

TITLE

DATE

JUN 10 1999

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chandler & Associates, Inc.

Well Name & Number: Desert Spring 7-30-10-18

API Number: 43-047-33163

Lease Number: U - 74408

Location: SWNE Sec. 30 T. 10S R. 18E

**NOTIFICATION REQUIREMENTS**

- |                                 |   |   |
|---------------------------------|---|---|
| Location Construction           | - | at least forty-eight (48) hours prior to construction of location and access roads.   |
| Location Completion             | - | prior to moving on the drilling rig.  |
| Spud Notice                     | - | at least twenty-four (24) hours prior to spudding the well.   |
| Casing String and Cementing     | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings.   |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests.   |
| First Production Notice         | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

### CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

#### A. DRILLING PROGRAM

##### 1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

##### 2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **2M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 1,565 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.



A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 789-7077  
Petroleum Engineer

Wayne P. Bankert (435) 789-4170  
Petroleum Engineer

Jerry Kenczka (435) 781-1190  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

## EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

## **SURFACE USE PROGRAM**

### **Conditions of Approval (COA)**

#### **Location of Existing and/or Proposed Facilities**

All production facilities shall be painted an earthtone Desert Brown (10YR 6/3) to blend with the surrounding vegetation within six (6) months of well completion.

The material for construction of the containment dike around the tank battery shall be nonpermeable subsoils and at no time shall top soils be used for this construction.

If a pipeline is requested for this location additional authorization will be necessary.

#### **Plans For Reclamation Of Location**

All seeding for reclamation operations at this location shall use the following seed mixture:

bud sage	Artemisia spinescens	3 lbs/acre
galleta grass	Hilaria jamessi	3 lbs/acre
indian rice grass	Oryzopsis hymenoides	2 lbs/acre
shadscale	Atriplex confertifolia	4 lbs/acre

If the seed mixture is to be aerially broadcasted, the pounds per acre shall be doubled. All seed poundages are in Pure Live Seed.

Immediately after construction the stockpiled top soil will be seeded and the seed worked into the soil by "walking" the pile with caterpillar tracks.

When reclaiming the reserve pit, the pit liner will be torn and perforated before backfilling the reserve pit and the torn liner will be buried a minimum of four (4) feet deep. The reserve pit and those portions of the location not needed for production facilities and/or operations shall be reclaimed and recontoured in accordance with the APD. A portion of the stockpiled topsoil shall then be spread over the rehabilitated areas to approximate the original topsoil thickness and the area seeded.

Upon final abandonment if additional recontouring is needed for previously reclaimed areas, the topsoil shall be removed prior to the final recontouring.

For final abandonment all topsoil shall be spread over the recontoured surface and the soils seeded.

If the location is to be a producing well the pump unit will be equipped with a multicylinder engine or a "hospital" type muffler to reduce noise to raptors.

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals		6. Lease Designation and Serial Number <i>U-74408</i>
		7. Indian Allottee or Tribe Name
		8. Unit or Communitization Agreement
		9. Well Name and Number <i>Desert Spring #7-30-10-18</i>
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		10. API Well Number <i>43-047-33163</i>
2. Name of Operator <i>SHENANDOAH ENERGY INC.</i>		11. Field and Pool, or Wildcat <i>Wildcat</i>
3. Address of Operator <i>475 17TH STREET DENVER CO 80202</i>	4. Telephone Number <i>303-295-0400</i>	
5. Location of Well Footage : <i>2093 FNL &amp; 1875' FEL</i> County : <i>Uintah</i> QQ, Sec. T., R., M. : <i>SWNE Section 30, T10S, R18E</i> State : <i>Utah</i>		
12. <b>CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		

**NOTICE OF INTENT**  
 (Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Approximate Date Work Will Start \_\_\_\_\_

**SUBSEQUENT REPORT**  
 (Submit Original Form Only)

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other <i>Change of Operator</i>	

Date of Work Completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

\* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

*Effective 3/1/200 Shenandoah EnergyInc. Has resigned as Operator of these wells.*

*Pendragon Energy Partners, Inc. will assume responsibility for operations under the terms and conditions of the leases.*

14. I hereby certify that the foregoing is true and correct.

Name & Signature *Thomas D. Taylor*

Title *Production Geologist* Date *05/19/2000*

(State Use Only)

**RECEIVED**

**MAY 22 2000**

**DIVISION OF  
OIL, GAS AND MINING**

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☒ GAS ☐ OTHER: ☐

2. Name of Operator:

PENDRAGON ENERGY PARTNERS, INC.

3. Address and Telephone Number: 621 17th STREET, STE. #750  
DENVER, CO 80293 (303) 296-9402

4. Location of Well

SW/NE 2093' FNL, 1875' FEL

CO Sec., T., R., M.:

SECTION 30, T10S, R18E

5. Lease Designation and Serial Number:

U-74408

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name

8. Well Name and Number:

DESERT SPRING #7-30-10-18

9. API Well Number:

430-4733163

10. Field and Pool, or Widest:

DESERT SPRINGS

County: UINTAH

State: UTAH

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**NOTICE OF INTENT**  
(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing  | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans  | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection   | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                                    | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>EXTEND APPROVED APD FOR ONE MORE YR.</u> |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all matters and zones pertinent to this work.)

THE APPROVED APD ON THE ABOVE WELL EXPIRES 6/10/2000. WE WOULD LIKE TO EXTEND THIS APPROVED APD FOR ONE MORE YEAR.

13.

Name & Signature: ALAN B. NICOL *[Signature]* Title: PRESIDENT Date: 5/19/00

(This space for State use only)

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 7/10/00

By: *[Signature]*

COPY SENT TO OPERATOR  
Date: 7-10-00  
Initials: CHD

(See Instructions on Reverse Side)

RECEIVED

MAY 22 2000

DIVISION OF  
OIL, GAS AND MINING



**CHANDLER & ASSOCIATES, INC.**

475 17TH ST. • SUITE 1000 • DENVER, COLORADO 80202 • 303 295-0400

OIL & GAS EXPLORATION AND PRODUCTION

FAX 303 295-0222

Mr. Jim Thompson  
Department of Natural Resources  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Fax: 801-539-3940

Subject: Resignation of Operator,  
West River Bend Project Area

Effective January 31, 2000, Chandler & Associates, LLC resigned as Operator under the West River Bend Project Area. Pendragon Energy Partners Inc. shall be the new Operator of the April 1, 1997 JOA.

Wells included in the West River Bend project Area:

A.P.I. #	ENTITY	WELL NAME	WELL #	LOCATION	FIELD NAME
43-047-33164-00	12496	DESERT SPRING	#16-19-10-18	SESE 19, 10S-18E	DESERT SPRING
43-047-3316200	12523	DESERT SPRING	#3-29-10-18	NWNE 29, 10S-18E	DESERT SPRING
43-013-3147700	12248	UTD WALTON	#26-03	NENW 26, 9S-16E	MONUMENT BUTTE
43-047-3275400	12003	FLU KNOLLS FED.	#23-3	NESW 3, 10S-18E	UTELAND BUTTE
43-047-32052-00	11468	DESERT SPRINGS FED.	#20-1	NESW 20, 10S-18E	WILDCAT
43-047-33163-00		DESERT SPRING	#7-30-10-18	SWNE 30, 10S-18-E	WILDCAT
43-013-32088-00	12497	W. DESERT SPRING	#11-20	NESW 20, 10S-17E	WILDCAT
43-013-32057-00	12497	W. RIVER BEND	#16-17-10-17	SESE 17, 10S-17E	WILDCAT
43-013-31888-00	12497	W. RIVER BEND	#3-12-10-15	NENW 12, 10S-15E	WILDCAT
43-013-32084-00	12497	WILKIN RIDGE	#13-23	SWSW 23, 10S-16E	WILDCAT

Please advise should you require more specific information.

Thanks,  
Tom Taylor

CC: Pendragon Energy Partners Inc.

**RECEIVED**

**JUN 30 2000**

**DIVISION OF  
OIL, GAS AND MINING**



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal District Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3162.3

UT08300

June 23, 2000

Pendragon Energy Partners, Inc.  
621 17th Street, Ste 750  
Denver, CO 80293

Re: Well No. Desert Spring 7-30-10-18  
SWNE, Sec. 30, T10S, R18E  
Lease UTU-74408  
Uintah County, Utah

Gentlemen:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, Pendragon Energy Partners, Inc. is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. UT1167, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Margie Herrmann or Leslie Crinklaw of this office at (435) 781-4410.

Sincerely,

Ed Forsman  
Petroleum Engineer  
Minerals Resources

cc: Division Oil, Gas & Mining

**RECEIVED**

JUL 03 2000

DIVISION OF  
OIL, GAS AND MINING



<b>STATE OF UTAH</b> <b>DEPARTMENT OF COMMERCE</b> <b>REGISTRATION</b>  <b>PENDRAGON RESOURCES II, L.P.</b>  <b>EFFECTIVE</b> 01/20/2000  <b>EXPIRATION</b> *RENEWAL	<b>REFERENCE NUMBER(S), CLASSIFICATION(S) &amp; DETAIL(S)</b>  Limited Partnership - Foreign 3106986-0181
--	--

C T CORPORATION SYSTEM  
PENDRAGON RESOURCES II, L.P.  
1209 ORANGE ST  
Wilmington DE 19801

**STATE OF UTAH**  
**DEPARTMENT OF COMMERCE**  
**DIVISION OF CORPORATIONS & COMMERCIAL CODE**  
**REGISTRATION**

**EFFECTIVE DATE:** 01/20/2000  
**EXPIRATION DATE:** \*RENEWAL  
**ISSUED TO:** PENDRAGON RESOURCES II, L.P.



**REFERENCE NUMBER(S), CLASSIFICATION(S) & DETAIL(S)**

3106986-0181 Limited Partnership - Foreign

**\*RENEWAL**

You will need to renew your registration each anniversary date of the effective date.

Exceptions: DBAs and Business Trusts renew every three (3) years from the effective date.  
Trademarks renew every ten (10) years from the effective date.

## OPERATOR CHANGE WORKSHEET

Check each listed item when completed. Write N/A if item is not applicable.

<input checked="" type="checkbox"/>	4-KAS <input checked="" type="checkbox"/>
2-CDW <input checked="" type="checkbox"/>	5-SJ
3-JLT	6-FILE

**X Change of Operator (Well Sold)**

Designation of Agent

Operator Name Change Only

Merger

The operator of the well(s) listed below has changed, effective: 3-1-00TO:(New Operator) PENDRAGON ENERGY PARTNERS INC FROM:(Old Operator) CHANDLER & ASSOCIATES INCAddress: 621 17<sup>TH</sup> STREET, STE 750  
DENVER, CO 80293Address: 475 17<sup>TH</sup> STREET, STE 1000  
DENVER, CO 80202Phone: 1-(303)-296-9402Phone: 1-(303)-295-0400Account No. N2965Account No. N3320

WELL(S):	CA Nos.	or	Unit
Name: <u>W. DESERT SPRING 11-20</u>	API: <u>43-013-32088</u>	Entity: <u>12497</u>	S 20 T 10S R 17E Lease: <u>U-75083</u>
Name: <u>UTD WALTON 26-03</u>	API: <u>43-013-31477</u>	Entity: <u>12248</u>	S 26 T 09S R 16E Lease: <u>UTU-67844</u>
Name: <u>DESERT SPRING 16-19-10-18</u>	API: <u>43-047-33164</u>	Entity: <u>12496</u>	S 19 T 10S R 18E Lease: <u>U-74408</u>
Name: <u>DESERT SPRING 3-29-10-18</u>	API: <u>43-047-33162</u>	Entity: <u>12523</u>	S 29 T 10S R 18E Lease: <u>U-74836</u>
Name: <u>FLU KNOLLS FEDERAL 23-3</u>	API: <u>43-047-32754</u>	Entity: <u>12003</u>	S 03 T 10S R 18E Lease: <u>U-68620</u>
Name: <u>DESERT SPRING FED 20-1</u>	API: <u>43-047-32052</u>	Entity: <u>11468</u>	S 20 T 10S R 18E Lease: <u>U-64420</u>
Name: <u>DESERT SPRING 7-30-10-18</u>	API: <u>43-047-33163</u>	Entity: <u></u>	S 30 T 10S R 18E Lease: <u>U-74408</u>

## OPERATOR CHANGE DOCUMENTATION

- YES 1. A pending operator change file has been set up.
- YES 2. (R649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator on 6-30-00.
- YES 3. (R649-8-10) Sundry or other legal documentation has been received from the **NEW** operator on 2-28-00.
- YES 4. The new company has been looked up in the **Department of Commerce, Division of Corporations Database** if the new operator above is not currently operating any wells in Utah. Is the operator registered with the State? Yes/No If yes, the company file number is SEE ATTACHED. If no, Division letter was mailed to the new operator on .
- YES 5. **Federal and Indian Lease Wells.** The BLM or the BIA has approved the merger, name change or operator change for all wells listed above involving Federal or Indian leases on 6-23-00.
- N/A 6. **Federal and Indian Units.** The BLM or the BIA has approved the successor of unit operator for all wells listed above involving unit operations on .
- N/A 7. **Federal and Indian Communitization Agreements ("CA").** The BLM or the BIA has approved the operator change for all wells listed above involved in the CA on .

- N/A 8. **Underground Injection Control ("UIC") Program.** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project and/or for the water disposal well(s) listed above.
- YES 9. Changes have been entered in the **Oil and Gas Information System** for each well listed on 7-6-00.
- YES 10. Changes have been included on the **Monthly Operator Change letter** on 7-6-00.

---

### STATE BOND VERIFICATION

- N/A 1. State Well(s) covered by Bond No. \_\_\_\_\_.

---

### FEE WELLS - BOND VERIFICATION / LEASE INTEREST OWNER NOTIFICATION

- N/A 1. (R649-3-1) The **NEW** operator of any fee lease well(s) listed above has furnished a proper bond.
- N/A 2. A **copy of this form** has been placed in the **new and former operator's bond files** on \_\_\_\_\_.
- N/A 3. The **FORMER** operator has requested a release of liability from their bond as of today's date \_\_\_\_\_? If yes, Division response was made to this request by letter dated \_\_\_\_\_. (see bond file).
- N/A 4. (R649-2-10) The **Former** operator of any Fee lease wells listed above has been contacted and informed by letter dated \_\_\_\_\_, of their responsibility to notify all interest owners of this change.
- N/A 5. Bond information added to **RBDMS** on \_\_\_\_\_.
- N/A 6. Fee wells attached to bond in **RBDMS** on \_\_\_\_\_.

---

### FILMING

- \_\_\_\_\_ 1. All attachments to this form have been **microfilmed** on 3-26-01.

---

### FILING

- \_\_\_\_\_ 1. **Originals/Copies** of all attachments pertaining to each individual well have been filed in each **well file**.
- \_\_\_\_\_ 2. The **original of this form** has been filed in the operator file and a copy in the old operator file.

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### COMMENTS

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STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: _____		5. Lease Designation and Serial Number: U - 74408
2. Name of Operator: PENDRAGON ENERGY PARTNERS, INC.		6. If Indian, Allottee or Tribe Name: _____
3. Address and Telephone Number: 621 17th STREET, #750, DENVER, CO 80293 (303) 296-9402		7. Unit Agreement Name: _____
4. Location of Well Footages: 2093' FNL, 1875' FEL Co. Sec., T., R., M.: SW NE SECTION 30, T10S - R18E		8. Well Name and Number: DESERT SPRING #7-30-10-18
		9. API Well Number: 43-047-33163
		10. Field and Pool, or Wildcat: WILDCAT
		County: UINTAH State: UTAH

## CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

### NOTICE OF INTENT (Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

Approximate date work will start \_\_\_\_\_

### SUBSEQUENT REPORT (Submit Original Form Only)

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon                                    | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                              | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                            | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection                       | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                  | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other DRILLING PERMIT EXTENSION |   |

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Reperforations to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, if well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

WE REQUEST THAT OUR DRILLING PERMIT ON THE ABOVE WELL BE EXTENDED FOR ONE MORE YEAR.

RECEIVED

AUG 03 2001

DIVISION OF  
OIL, GAS AND MINING

13.

Name & Signature: Alan B. Nicol ALAN B. NICOL Title: PRESIDENT Date: AUGUST 1, 2001

(This space for State use only)

COPY SENT TO OPERATOR

Date: 8-13-01

Initials: CHD

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 08-06-01

By: [Signature]

(See Instructions on Reverse Side)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U - 74408
2. Name of Operator PENDRAGON ENERGY PARTNERS, INC.		6. If Indian, Allottee or Tribe Name
3a. Address 621 17TH STREET, STE. #750 DENVER, CO 80293	3b. Phone No. (include area code) (303) 296-9402	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2093' FNL, 1875' FEL (SW NE) SECTION 30, T10S - R18E		8. Well Name and No. DESERT SPRING #7-30-10-18
		9. API Well No. 43-047-33163
		10. Field and Pool, or Exploratory Area WILDCAT
		11. County or Parish, State UINTAH CO., UT

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DRILLING PERMIT</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>EXTENSION</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

WE REQUEST THAT OUR DRILLING PERMIT ON THE ABOVE WELL BE EXTENDED FOR ONE MORE YEAR.

RECEIVED

AUG 31 2001

DIVISION OF  
OIL, GAS AND MINING

RECEIVED

AUG 06 2001

SEE  
ATTACHMENT

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

ALAN B. NICOL

Title PRESIDENT

Signature

Date AUGUST 1, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

**DENIED**

Title

Date AUG 16 2001

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Dogm

Perkins Energy Partners, Inc.

## APD Extension Request

Well: Desert Springs 7-30-10-18

Location: SWNE Sec. 30, T10S, R18E  
Uintah County, Utah

Lease: UTU 74408

### REASON FOR DENIAL

An extension for the referenced APD is denied for the following reason:

---

1. In a Sundry Notice dated May 19<sup>th</sup>, 2000 and approved June 6<sup>th</sup>, 2000 you were informed that the APD would be extended for one year until June 6<sup>th</sup> 2001. You were also informed at that time that no additional extension would be granted.

If you have any other questions concerning this matter, please contact Kirk Fleetwood or Ed Forsman of this office at (435) 781-4400.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

November 20, 2001

Pendragon Energy Partners, Inc.  
621 17<sup>th</sup> Street, Suite 750  
Denver, Colorado 80293

Re: Notification of Expiration  
Desert Spring 7-30-10-18  
SWNE, Sec. 30, T10S, R18E  
Uintah County, Utah  
Lease No. U-74408

Gentlemen:

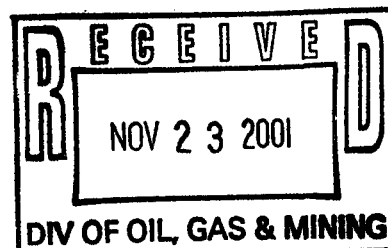
The Application for Permit to Drill the above-referenced well was approved on June 10, 1999. Pendragon Energy Partners, Inc. requested an extension of the original APD approval for an additional year. The request was reviewed and the extension approved until June 10, 2001. Since that date, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker  
Legal Instruments Examiner

cc: State Div. OG&M





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

December 3, 2001

Alan Nicol  
Pendragon Energy Partners, Inc.  
621 17<sup>th</sup> Street, Suite 750  
Denver, Colorado 80293

Re: APD Rescinded – Desert Spring 7-30-10-18, Sec. 30, T10S, R18E, Uintah  
County, Utah, API 43-047-33163

Dear Mr. Nicol:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on August 13, 1998. The Division approved one-year APD extensions on July 10, 2000, and August 6, 2001, extending the APD to August 6, 2002.

By letter dated November 20, 2001, the Bureau of Land Management (BLM) notified the Division that the APD filed with the BLM expired June 10, 2001. Therefore, approval to drill the well is hereby rescinded, effective November 20, 2001, date of BLM rescind letter.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

A handwritten signature in cursive script that reads "Lisha Cordova".

Lisha Cordova  
Eng. Technician

cc: Well File(s)  
Bureau of Land Management, Vernal